



Independent observer  
of the Global Fund

# Global Fund Observer

NEWSLETTER

Issue 211: 1 March 2013

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## CONTENTS OF THIS ISSUE:

### ***Editor's Note***

*This issue of Global Fund Observer (GFO) is devoted entirely to articles on the new funding model launched by the Global Fund on 28 February. The Global Fund has published several documents on the NFM on its website at [www.theglobalfund.org/en/activities/fundingmodel](http://www.theglobalfund.org/en/activities/fundingmodel). These documents include a Transition Manual, a list of countries participating in the transition phase, and three overviews or summaries. In addition, the Fund has issued a news release on the launch of the NFM [here](#).*

*The information for these articles was taken from the documents listed above and also from near-final drafts of the concept note form and the Concept Note Instructions for Early Applicants. The concept note form and instructions have not been posted on the Fund's website.*

1. [NEWS: An Estimated \\$1.9 Billion Will Be Available for the Transition Period](#)

The Global Fund forecasts that \$1.9 billion dollars will be available for the 57 early and interim applicants in the transition period of the new funding model. The NFM was officially launched on 28 February.

2. [NEWS: Information for Early Applicants](#)

This article contains information for early applicants on guidance provided by the Global Fund, the applications process and the information applicants are asked to submit.

3. [NEWS: Information for Interim Applicants](#)

This article contains information on the applications process for interim applicants.

4. [NEWS: Country Dialogue is “Country-Owned and -Led”](#)

The Global Fund says that the country dialogue is owned and led by countries. The Fund says that it did not create the country dialogue, and that the new funding model will build on existing country dialogues.

5. [NEWS: New Modular Approach Adopted for Outlining Proposed Programmes](#)

The Global Fund’s new modular approach for describing proposed initiatives replaces service delivery areas and performance frameworks used in the rounds-based system.

6. [NEWS: Global Fund Will Evaluate Performance of Each CCM Annually](#)

The documents published by the Global Fund for the launch of the new funding model contained an announcement to the effect that in future individual CCMs will be appraised each year. This includes all early CCM applicants under the NFM.

7. [NEWS: Global Fund Introduces New Minimum Standards for Implementers](#)

New minimum standards for implementers adopted by the Global Fund apply to principal recipients, large sub-recipients, public- or private-sector entities involved in the pharmaceutical and health products procurement and supply chain, and components of the national health system. The minimum standards will apply to early applicants under the new funding model.

See [section](#) near the end of this newsletter listing additional articles available on GFO Live.

## ARTICLES:

### 1. NEWS: An Estimated \$1.9 Billion Will Be Available for the Transition Period

*New funding model is officially launched*

#### **Fifty-seven early and interim applicants identified**

The Global Fund forecasts that \$1.9 billion will be available in 2013–2014 for the transition period of the new funding model (NFM). The transition period will run from March 2013 to September 2014. The NFM was formally launched on Thursday, 28 February. The announcement was made in a news release issued by the Global Fund.

The Global Fund has identified 57 early and interim applicants which will be allowed to submit applications for funding during the transition period (for details, see the sections on early and interim applicants below).

The \$1.9 billion forecast is subject to revision as more information becomes available in future.

In addition to the \$1.9 billion for 2013–2014, the Global Fund estimates that \$346 million will be required in 2015–2016 for early applicants; however, the availability of these funds will depend on the outcomes of the 2014–2016 replenishment conference. The reason the Global Fund is identifying transition funding requirements for 2015 and 2016 is that early applicants may submit for funding for a three-year period.

“Our new funding model means more effective investments, with greater impact,” said Mark Dybul, Executive Director of the Global Fund. “It will definitely help us leverage investment in a way that allows our partners to reach more people facing these diseases.”

Some applicants are being invited to submit for more than one disease. Thus, applications may be received for a total of 70 disease components.

Both early and interim applicants will be able to apply for funding again when the NFM is fully rolled out for the 2014–2016 period. Any money these applicants receive in 2013 will not affect their entitlement for 2014–2016; however, any funds they receive in 2014 will be deducted from their entitlement for 2014–2016.

Early and interim applicants were selected based on whether disease programmes are “under-allocated” in 2013–2014 (i.e. are currently receiving less than they would under the NFM’s allocation principles), or are at risk of essential service interruptions from 2013 up to the end of September 2014, or are positioned to achieve rapid impact.

For the transition, the Global Fund is allocating available funding to applicants based on the degree to which countries are under-allocated compared to amount of funds they should have received according to their disease burden; and based on “ability to pay,” as measured by a country’s gross national income *per capita*. In addition, the Global Fund will consider a series of qualitative factors, including major sources of external financing from other donor, performance, absorptive capacity, “willingness to pay,” risk mitigation, and increased infection incidence in low prevalence countries.

Applicants participating in the transition because of the risk of service interruptions will receive an indicative funding allocation to finance the continuation of essential prevention, treatment or care services at the same scope and scale as at the time of service interruption, until at least the end of September 2014.

The information made public by the Global Fund at the time of the launch did not provide an estimate of how funding during the transition period will be split among the three diseases.

(See the article elsewhere in this issue on information for early applicants for a list of the resources provided by the Global Fund. While most of these resources are for early applicants, some of them will be of interest to interim applicants as well.)

### **Early applicants**

Six countries and three regional initiatives have been invited to participate as early applicants. The six countries – Congo (DR), El Salvador, Kazakhstan, Myanmar, Philippines and Zimbabwe – will

collectively be able to submit eight components, four for HIV, three for TB and one for malaria, according to information provided to Global Fund Board members. The six countries will collectively be able to access \$248 million in indicative funding in 2013–2014 and will be eligible to compete for an additional \$29 million in incentive funding over that same period.

The three regional initiatives were not named in the information made public by the Global Fund at the time of the launch. However Board members were informed that the initiatives, and the components for which they can apply, are as follows: the Regional Artemisinin Resistance Initiative (malaria); the Eurasian Harm Reduction Network (HIV); and the Regional Malaria Elimination Initiative in Mesoamerica and Hispaniola (malaria).

The regional initiatives will collectively be able to access indicative funding of \$116 million for 2013–2014. Regional initiatives are not eligible for incentive funding.

Early applicants will go through most of the NFM process, including the concept note. The process for new applicants is designed to culminate in a new grant.

The Global Fund said that early applicants are encouraged to make an ambitious request based on their full expression of demand, and that they will receive strong support to assist them in developing their request. Any unfunded “quality demand” will be placed in a queue for possible future funding. (“Quality demand” means programmes that the Secretariat and the TRP judge to be sound.)

The Global Fund said that decisions concerning incentive funding will be based on the recommendation of the TRP and other considerations, including to what extent the additional resources will (1) allow the country to accelerate and reach the Millennium Development Goals; (2) leverage the mobilisation of additional resources; (3) reward good performance and progress towards impact; and (4) constitute investment in Global Fund’s strategic priority areas.

### Interim applicants

Forty-seven countries and one regional initiative have been invited to participate as interim applicants. They will cover 59 components, 23 for HIV, 20 for TB and 16 for malaria. The interim applicants will collectively be able to access \$1,507 million in indicative funding in 2013–2014. Interim applicants are not eligible to apply for incentive funding. See Table 1 for the list of interim applicants and components, and the amounts of available indicative funding.

Interim applicants may experience some elements of the NFM. The process for interim applicants involves topping up existing grants through Phase 2 renewal, reprogramming or extensions.

**Table 1: List of interim applicants, showing components and available funding**

Applicant	Amounts of available indicative funding (\$ million)			
	HIV amount	TB amount	Malaria amount	Total (rounded)
<b>COUNTRIES</b>				
Albania	0.1			0.1

Bangladesh		4.0		4.0
Belarus		1.0		1.0
Benin		2.0		2.0
Burundi			2.0	2.0
Cambodia		3.0		3.0
Cameroon	81.0			81.0
Chad			5.0	5.0
Congo (Democratic Republic)			85.0	85.0
Cote d'Ivoire			69.0	69.0
Dominican Republic		3.0		3.0
Egypt		3.0		3.0
Ethiopia		9.0		9.0
Ghana	15.0			15.0
India	19.0			10.0
Indonesia		1.4	21.2	23.0
Jamaica	3.0			3.0
Kenya	53.0	13.0		66.0
Kosovo	0.3			0.3
Lesotho	25.0			25.0
Malawi	115.0		5.0	120.0
Moldova	8.0			8.0
Mongolia	0.3			0.3
Mozambique	138.0	27.0	13.0	177.0
Nepal	2.0			2.0
Nicaragua		3.0		3.0
Niger	1.0		19.0	20.0
Nigeria	122.0		167.0	288.0
Pakistan		8.0		8.0
Papua New Guinea		13.0		13.0
Philippines	4.0			4.0
Russian Federation	5.0			5.0
Rwanda			6.0	6.0
Solomon Islands		1.0		1.0
South Africa	37.0	55.0		92.0
Sri Lanka		3.0		3.0

Sudan			7.0	7.0
Suriname			0.3	0.3
Swaziland			0.3	0.3
Tanzania	51.0	12.0	114.0	176.0
Thailand	3.0			3.0
Togo	12.0			12.0
Uganda	120.0			119.0
Viet Nam		7.0		7.0
Yemen			4.0	4.0
Zambia		3.0	2.0	5.0
Zimbabwe		5.0		5.0
<b>Total Countries (rounded)</b>	<b>809.0</b>	<b>174.0</b>	<b>519.0</b>	<b>1,502.0</b>
MULTICOUNTRY WESTERN PACIFIC (REGIONAL)	5.0			5.0
<b>TOTAL (rounded)</b>	<b>814.0</b>	<b>174.0</b>	<b>519.0</b>	<b>1,507.0</b>

*Editor's Note: There are discrepancies in the above table in the totals for each disease, and in some of the totals for individual applicants. Some of these discrepancies may be due to rounding. Applicants should consult the Global Fund Secretariat to confirm the amount of funding allocated to them.*

Three countries – Congo (DR), Philippines and Zimbabwe – are on both the early applicants list and interim applicants list.

With respect to India, Board members were told that the funding will cover activities managed by a civil society organisation for a Round 7 grant that will come to an end on 31 August 2013.

With respect to the Russian Federation, Board members were told that the funding will cover programmes run by NGOs to avoid disruption of key services to most-at-risk populations under the NGO Rule in the Policy on Eligibility Criteria, Counterpart Financing Requirements and Prioritization.

The amounts shown in the above table do not represent final funding allocations; the amounts will likely shift as applications are reviewed by the Global Fund Secretariat.

### **Standard applicants**

“Standard applicants” refers to all applicants that are not on the lists of early and interim applicants. Technically, standard applicants do not participate in the transition. However, the Global Fund says that there are steps that standard applicants can take now to get ready for the full rollout of the NFM. These include strengthening their national strategies, strengthening PR capacity and CCM capacity, and starting or reinforcing the country dialogue process.

The full roll-out of the NFM will begin in late 2013 or early 2014.

## Summary funding table

See Table 2 for a summary of the funding allocation for the transition period. The information in this table was provided by the Global Fund in the NFM materials it released on 28 February.

**Table 2: Summary of funding allocation for the transition period (\$ million)**

Applicants	Type of funding	Amounts for 2013–2014	Additional amounts for 2015–2016 *	Total
Early applicant countries	Indicative	248	288	536
	Incentive	29	58	87
Early applicant regional initiatives	Indicative	116	n/a	116
Interim applicants	Indicative	1,507	n/a	1,507
<b>TOTAL</b>		<b>1,900</b>	<b>346</b>	<b>2,246</b>

\* Subject to the funding becoming available as a result of the 2014–2016 replenishment.

The Global Fund is asking early and interim applicants to provide feedback on their experiences during the transition. Applicants can send feedback to [NewFundingModel@theglobalfund.org](mailto:NewFundingModel@theglobalfund.org). A future GFO article will describe other elements of the transition monitoring process.

*NFM-related materials produced by the Global Fund are available on the Fund's website [here](#).*

[This article was first posted on GFO Live on 1 March 2013.]

[TOP](#)

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## 2. NEWS: Information for Early Applicants

*Early CCM applicants will use most elements of the NFM*

### **Concept note is a mix of old and new**

This article summarises the guidance provided by the Global Fund for early applicants under the new funding model (NFM), the process that these applicants will follow, and the information these applicants are required to submit.

### **Guidance provided by the Global Fund**

The concept note template provided by the Global Fund contains guidance for applicants in the form of annexes. The annexes include a glossary of key terms; a description of the minimum standards for implementers; a description of what constitutes a sound national strategic plan; a description of the elements of a technically sound response; and the criteria to be used by the Technical Review Panel (TRP) to review concept notes.

In addition, the Global Fund is providing Concept Note Instructions for Early Applicants. The instructions provide guidance on how the concept note should be filled out.

The Global Fund is also providing a number of other resources, including:

- **Transition Manual.** Provides an overview of the new funding model.
- **Strategic Investment Guidance from technical partners.** Available for HIV, TB and malaria.
- **Global Fund information notes on strategic investments.** Available for HIV, TB, malaria and health and community systems.
- **Thematic information notes.** These are similar to the information notes provided under the rounds-based system.
- **Pre-assessment.** See below.
- **Performance and impact profile.** See below.
- **CCM performance assessment.** (See separate article in this issue.)

The pre-assessment is a country-specific document provided during the country dialogue that summarises performance and implementation issues related to existing grants (from the perspective of the Global Fund Secretariat). It is meant to guide the country coordinating mechanism (CCM) on issues it should address during the preparation of the concept note.

The performance and impact profile is a country-specific document that provides a consolidated view of a country's epidemiological information; the latest coverage, outcome and impact data; an analysis of the current funding landscape; an assessment of risk; and an assessment of the performance of existing principal recipients (PRs).

### **Process for early applicants**

The Global Fund Secretariat will officially invite the nine early applicants to submit a concept note. This communication will also inform applicants of the amount of funding allocated to them, and will explain how competition for the incentive funding will work.

Those early applicants that are CCMs are expected to use most elements of the NFM, and to provide feedback to assist the Global Fund to refine the NFM process.

The invited applicants are expected to confirm their participation within a specific time frame. The Global Fund expects that concept notes will be developed within 2–4 months after the invitations are issued. Then, the Secretariat and the TRP will have 1–2 months to review the concept notes.

The time from submission of the concept note to Board approval is expected to be highly variable and will depend on factors such as the implementation capacity of the PRs and the complexity of the grant negotiations. The process could take between five and 24 months. The Global Fund anticipates that it should take less than 12 months for most applicants.

The Global Fund has identified seven steps that make up the applications process under the NFM, as follows:

1. Development and/or strengthening of national strategic plans.
2. Country dialogue.
3. Preparation of concept note.
4. Assessment by the Technical Review Panel.
5. Determination of funding by the Secretariat's Grant Approval Committee.
6. Grant-making.
7. Approval of funding.

These steps are described in considerable detail in the Global Fund's Transition Manual. The Global Fund said that early applicants will test most of the elements of the NFM.

For Step 3, preparation of the concept note, applicants may receive input from technical partners and operational guidance from the Global Fund's Country Teams.

In Step 4, the TRP review will result in one of three recommendations: (1) proceed to the next steps (determination of funding ceiling and grant-making); (2) resubmit the concept note, with changes; or (3) submit a new, completely revised concept note. The Global Fund says that TRP reviews are scheduled for April and August 2013, though other reviews may be added.

In Step 5, determination of funding, the Secretariat will decide what the upper ceiling will be for grant-making, and will place any remaining unfunded quality demand into a queue for possible future funding.

During Step 6, grant-making, PRs, the CCM and in-country partners will work closely with the Secretariat to ensure the implementation arrangements are in place before the Global Fund Board approves each grant, so that the programmes are implementable and "disbursement-ready."

The grant-making stage includes three steps: (1) development of a workplan for the period from grant negotiations to Board approval; (2) capacity assessment of implementers; and (3) development of integrated grant performance and reporting tool.

### **Information required from applicants**

Applicants are required to submit a completed concept note form. The concept note form contains a summary information section and five additional sections, as follows:

1. **CCM eligibility requirements.** How the application development process complies with the CCM Eligibility Requirements.
2. **Country context.** An explanation of the country's epidemiological situation and the current legal and policy environment, and how the national strategic plan (NSP) responds to the country disease context.

3. **Programmatic gaps.** The assumptions, methodology and sources used in estimating the programmatic gaps.
4. **Funding request to the Global Fund.** The initiatives for which the applicant is seeking funding, and an explanation of how they will contribute to greater impact.
5. **Implementation arrangements.** How the program will be implemented.

This is fairly similar to the flow of proposal forms under the rounds-based system.

In the concept note, applicants are asked to indicate the amount of new funding they are requesting, broken out into (a) indicative funding and (b) incentive funding. Proposed initiatives for incentive funding must be presented in order of priority. This is for the purposes of the queue (mentioned above).

The Secretariat will provide early applicants with an “indicative” split by component for the indicative funding request. An applicant can request a different split but if the deviation is 10% or more, the applicant must obtain approval from the Secretariat for the revised split prior to submitting the concept note.

The concept note form requires that applicants complete a “self-assessment” of the nominated PR against the minimum standards for implementers. (See separate article in this issue.)

Applicants are asked to provide a “complete programmatic picture” of the funding requested from the Global Fund. This means that, for each component, applicants have to quantify and describe existing funding as well as new funding being requested. Existing funding includes approved but yet unsigned agreements for new proposals or for Phase 2 of existing proposals.

In addition to the completed concept note template, applicants are required to provide six attachments, as follows:

1. CCM Membership Form (including endorsement of concept note)
2. Programmatic Gap Table
3. Modular Tool
4. Financial Gap Analysis and Counterpart Financing Table
5. List of abbreviations and acronyms used by the applicant
6. List of annexes included in the concept note

The Global Fund is providing templates for Attachments 1–4.

Attachments 1 and 4 are similar to what was used for proposals under the rounds-based system.

With respect to Attachment 2, the Programmatic Gap Table, applicants are asked to provide information on the key gaps in the implementation of their NSP – specifically, the top 3–6 programme areas that constitute the lion’s share of the NSP in terms of cost and scope, and for which

funding is being requested from the Global Fund. This table is similar to a table that was included in proposal forms for most recent rounds of funding.

Attachment 3, the Modular Tool, replaces the performance framework and the budget template used for proposals under the rounds-based system. (See separate article in this issue.)

Early applicants are asked to submit their complete concept note using an online NFM portal established by the Global Fund; or by email to an address provided by the fund, with a copy to the applicant's fund portfolio manager.

Early applicants that have questions related to the concept note template or instructions should contact [Accesstofunding@theglobalfund.org](mailto:Accesstofunding@theglobalfund.org) or [ATF@theglobalfund.org](mailto:ATF@theglobalfund.org).

*NFM-related materials produced by the Global Fund are available on the Fund's website [here](#).*

[This article was first posted on GFO Live on 1 March 2013.]

[TOP](#)

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### **3. NEWS: Information for Interim Applicants**

Interim applicants selected by the Global Fund will receive a formal invitation to apply for funding in the transition phase. The Global Fund will advise each potential interim applicant of the amount of funding available to it. Invited applicants will be asked to officially acknowledge receipt of the Global Fund's invitation, and to confirm within a specified time frame whether they would like to participate.

Interim applicants will not be asked to submit concept notes. However, they will experience some elements of the new funding model (NFM), such as the country dialogue and the assessment by the Technical Review Panel.

There is no mention in the NFM materials released by the Global Fund of an application form being developed for interim applicants, nor is there mention of guidance concerning application requirements.

After the applications are received, the timing of decisions and disbursements will depend upon existing grant cycles. The Global Fund said that, wherever possible, additional funding should align with Phase 2 renewals, reprogramming, grant end dates or other milestones associated with existing grants.

Interim applicants will not be eligible for incentive funding during the transition phase. However, they will be eligible for incentive funding in the first period of the full rollout.

Interim applicants will be asked to provide feedback on their participation in the transition phase to assist the Global Fund to refine the process.

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[This article was first posted on GFO Live on 1 March 2013.]

[TOP](#)

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#### **4. NEWS: Country Dialogue is “Country-Owned and -Led”**

As the Global Fund describes it, the “country dialogue” is not something that the Fund created. The Fund says that the term describes a dialogue that already occurs, or at least should be occurring, among the country coordinating mechanism (CCM), implementers, technical partners, donors, governments, civil society and key affected populations.

The Global Fund says that the country dialogue is country-owned and country-led. Outputs from country dialogue often result in health-sector reviews, disease programme reviews and revised national strategic plans.

Under the NFM, the country dialogue will be enhanced. The Global Fund says that the country dialogue will “continue to help prioritize high-impact interventions for Global Fund funding while diagnosing human rights barriers and developing a plan to address them.”

The Global Fund says that in the context of the new funding model, the country dialogue should focus on some general elements and on some elements that are specific to the development of the concept note. The general elements consist of reviewing the disease, health and human rights landscape; conducting programme reviews and related research; identifying funding gaps; and prioritising which initiatives will be included in the concept note.

The elements specific to the concept note include ensuring that the CCM is functioning properly; determining timelines for development of the concept note; discussing the qualitative factors that can affect a country's indicative funding allocation; determining the split for indicative funding among the disease components and health and community systems strengthening; and determining implementation arrangements.

With respect to the programme reviews, the Global Fund says that these reviews should evaluate the entire country programme, not just the activities supported by the Global Fund, and that they should make recommendations for how financing can be better targeted to achieve outcomes and impact. The Fund says that programme reviews should occur regularly and can be supported by funds from Global Fund grants.

Concerning the functioning of the CCM, as part of the country dialogue process the CCM will be expected to identify topics that require discussion and to arrange for the discussions to take place. The CCM will be asked to agree on how it will ensure that discussions on the disease split and the review of the draft concept note are done in a transparent and inclusive manner. The Global Fund says that if key affected populations (or their advocates), major donors and technical partners are not part of the CCM, they must be included in these discussions and offered the opportunity to submit comments to the Secretariat when the concept note is submitted.

The Fund’s Transition Manual provides additional information on the country dialogue.

NFM-related materials produced by the Global Fund are available on the Fund’s website [here](#).

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[TOP](#)

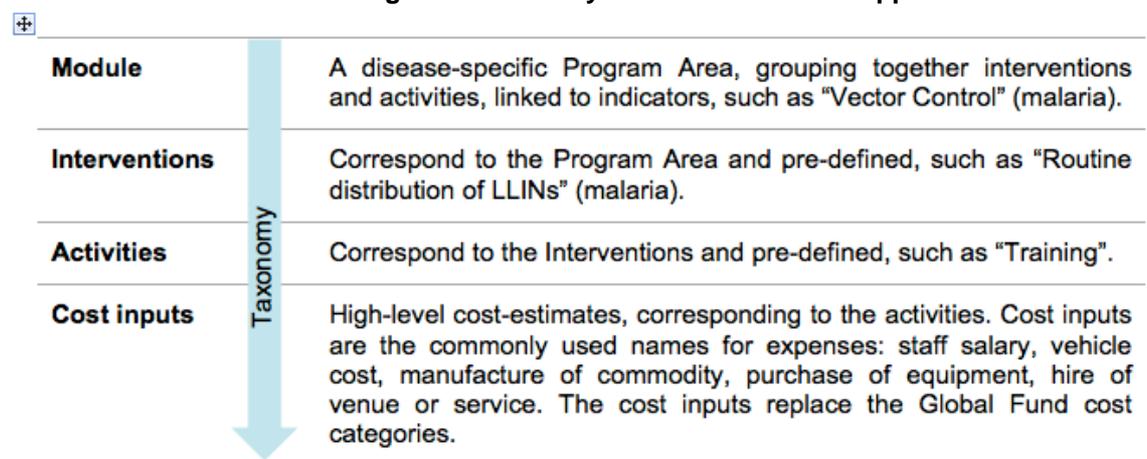
## 5. NEWS: New Modular Approach Adopted for Outlining Proposed Programmes

*Modules (or “programme areas”) replace the SDAs used under the rounds-based system*

In conjunction with the introduction of the new funding model (NFM), the Global Fund is introducing a new, modular approach for describing the programmes for which applicants are requesting funding.

What the Global Fund calls the “taxonomy” of the modular approach is explained in the following diagram taken from a near-final draft of the Concept Note Instructions for Early Applicants.

**Diagram: Taxonomy of the new modular approach**



In this instance, “taxonomy” refers to the elements of the new modular approach and their hierarchy.

The new modular approach will be used by early NFM applicants in the development of their concept notes. It will also be used by standard applicants when they submit concept notes under the full rollout of the NFM. The NFM materials released by the Global Fund do not indicate whether interim applicants will be asked to use the new modular approach.

Under the new approach, modules (also known as “programme areas”) replace the service delivery areas (SDAs) used in proposals under the rounds-based system.

For each programme area included in the concept note, applicants will be asked to identify

interventions.

The Global Fund will provide a list of pre-defined programme areas and interventions, but applicants may also define their own. The pre-defined programme areas and interventions have been drawn from the investment guidance of major agencies including the World Health Organization and UNAIDS.

For each intervention, applicants will be asked to identify activities as well as high-level cost estimates corresponding to the activities.

Applicants will use a new modular template to describe the programme areas and related components. This template replaces the performance framework and the budget template used under the rounds-based system.

The Global Fund said that each programme area must be linked to impact, outcome and coverage indicators; and that each intervention must be linked to output indicators.

The Global Fund said that during the grant-making phase, applicants will develop a more detailed, costed logframe. The logframe will include, among other things, a detailed activity-based budget, the expected timing of activities and information on who will implement each activity.

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[TOP](#)

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## **6. NEWS: Global Fund Will Evaluate Performance of Each CCM Annually**

### *Early NFM applicants will undergo these assessments*

The Global Fund will institute annual assessments of the performance of individual CCMs. During the assessments, the Global Fund will evaluate compliance against four of the six minimum CCM requirements and against what the Fund refers to as “the four associated minimum standards.”

Early CCM applicants under the new funding model will undergo these assessments during the country dialogue process.

The four minimum requirements involved are those that apply to the structure and operations of the CCM – i.e., the requirement to have membership of people living with HIV and of people affected by TB and malaria; the requirement that non-government members be selected by their own constituencies based on a transparent, documented process; the requirement that CCMs develop an oversight plan; and the requirement that CCMs manage any conflicts of interest.

There were no further details in the NFM materials concerning what is meant by “the four associated minimum standards.” The documents say only that the Global Fund Secretariat will release a set of

minimum standards for CCMs in the near future. The Secretariat has been working for some time on proposed changes to its policies and guidance regarding CCMs.

In the Transition Manual, the Global Fund says that if an early CCM applicant does not comply with the minimum CCM requirements, the Secretariat will work with the CCM to define the approach it will take to achieve them. If the CCM is unable to meet the eligibility requirements, “solutions will be investigated”; these could include the submission of a non-CCM proposal.

The plan to require full CCM assessments during the transition applies only to early applicants.

*NFM-related materials produced by the Global Fund are available on the Fund’s website [here](#).*

[This article was first posted on GFO Live on 1 March 2013.]

[TOP](#)

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## **7. NEWS: Global Fund Introduces New Minimum Standards for Implementers**

### *Standards apply to early NFM applicants*

The Global Fund has developed new minimum standards for implementers. Entities covered by the standards include principal recipients (PRs), large sub-recipients (SRs) and other associated actors, such as public- or private-sector entities involved in the pharmaceutical and health products procurement and supply chain, as well as components of the national health system.

The minimum standards will apply to early applicants under the new funding model (NFM). The Global Fund says that interim applicants “might” also have to go through a minimum standards check.

Most of the minimum standards apply during both the application process and grant implementation; some apply only during grant implementation.

Nominated PRs will be assessed against the minimum standards whether they are being nominated for the first time or are being re-nominated. Some large SRs will also be assessed against the standards. The Global Fund says that the minimum standards “are critical for the assessment of implementers, and the Global Fund Secretariat will strictly enforce them.” The Fund says that use of the standards will help to ensure that grants are successful, partially by filtering out what the Fund calls “impossible” grants.

The Global Fund said that the minimum standards will provide all countries with upfront information on the Global Fund’s expectations for required capacity levels.

There are 12 standards in all. Ten of them apply at all stages, including the assessment of nominated PRs; the other two relate solely to the grant implementation stage. (See the table for a list of the standards.)

**Table: New minimum standards for implementers**

No.	Title	Standard
APPLICABLE DURING ALL STAGES:		
1	Cross-functional	The PR demonstrates effective management structures and planning.
2	Programme (SR oversight)	The PR has the capacity and systems for effective management and oversight of SRs (and relevant Sub-SRs).
3	Programme (conflict of interest)	There is no conflict-of-interest for the selection of the PR (s) and SRs.
4	Programme (implementation plan)	The program-implementation plan provided in the concept note is sound.
5	Finance	The internal control system of the PR is effective to prevent and detect misuse or fraud.
6		The financial-management system of the PR is effective and accurate.
7	PSM	The central warehouse and the warehouses for key regions have capacity, appropriate conditions and security to store health products, and to maintain their quality.
8		The distribution process can handle the requisition of supplies to avoid treatment and programme disruptions.
9	M&E	Data-collection capacity and tools are in place to monitor programme performance.
10		A functional routine reporting system with reasonable coverage is in place to report programme performance timely and accurately.
APPLICABLE DURING GRANT MANAGEMENT:		
11	Programme (CCM)	The CCM actively oversees the implementation of the grant, and intervenes where appropriate.
12	PSM	A quality-assurance plan is in place to monitor product quality throughout the in-country supply chain.

Some of the standards (1, 2, 5 and 6) apply directly to the PR. Others apply to whichever implementing entity or entities are responsible for the procurement and supply management function (7, 8 and 12) and the M&E function (9 and 10).

Standard 3 (Programme: conflict of interest) applies to both the CCM and the PR. Standard 11 (Programme: CCM) applies to the CCM.

The Global Fund says that its assessment of applicants against the minimum standards will help identify specific areas in which applicants need capacity support right away. “Accordingly,” the Global Fund says, “the Fund will provide financing for training and technical assistance as part of the approved budget for awards under the transition phase.”

In cases in which recipients do not fully meet the minimum standards, but the risks are considered manageable and there is inadequate support from governments or technical partners, the Secretariat may approve the use of some grant funds to help strengthen the systems of implementers. However, the Fund says that it “does not have a mandate to strengthen implementers more generally, unless there is a clear linkage to the objectives and success of the proposed Global Fund grant.”

The Global Fund says that during grant negotiations, the Secretariat will do an in-depth assessment to check if key implementers comply with the minimum standards. Non-compliance will trigger certain actions; the actions may vary depending on the type of entity and the circumstances. The NFM materials list three possible actions, as follows:

- setting up safeguards with a clear action plan;
- making the case to senior management in the Secretariat that the grant should go forward despite the non-compliance; and
- rejecting the implementer.

Further details on the minimum standards are contained in Appendix 4 of the Transition Manual.

*NFM-related materials produced by the Global Fund are available on the Fund's website [here](#).*

[This article was first posted on GFO Live on 1 March 2013.]

[TOP](#)

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NEWS: [PEPFAR Evaluation Identifies Synergies and Challenges in Working with the Global Fund](#)

An evaluation of the President's Emergency Program for AIDS Relief has found that the planning and implementation processes of PEPFAR and the Global Fund are not always aligned. However, the evaluation also found that collaboration between the two entities is increasing.

NEWS: [Alliance India Conducts Mock OIG Audit Exercise](#)

In 2012, India HIV/AIDS Alliance conducted an exercise to prepare itself and its implementers for an audit by the Office of the Inspector General. As part of the exercise, mock OIG audit visits were undertaken with sub-recipients.

ANNOUNCEMENT: [Call for Nominations for Board Member, Developed Country NGO Delegation](#)

The Developed Country NGO delegation on the Global Fund Board is seeking nominations for the position of Board member for a two-year term.

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This is an issue of the GLOBAL FUND OBSERVER (GFO) Newsletter.

**We welcome suggestions for topics we could cover in GFO. If you have a suggestion, please send it to the Editor of GFO (see contact information below).**

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